

## LONDON BOROUGH OF CROYDON

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### **STATEMENT OF EXECUTIVE DECISIONS MADE BY THE CABINET MEMBER FOR HOMES REGENERATION AND PLANNING ON 20 JULY 2017**

This statement is produced in accordance with Regulation 13 of the Local Authorities (Executive Arrangements) Meetings and Access to Information) (England) Regulations 2012.

The following apply to the decisions listed below:

**Reasons for these decisions:** are contained in the **attached** Part A report

**Other options considered and rejected:** are contained in the **attached** Part A report

**Details of conflicts of Interest declared by the Cabinet Member:** none

**Note of dispensation granted by the head of paid service in relation to a declared conflict of interest by that Member:** none

The Leader of the Council has delegated to the Cabinet Member the power to make the executive decisions set out below:

#### **CABINET MEMBER'S DECISION REFERENCE NO. 2417HRP**

**Decision title: Delivering the Croydon Growth Zone**

The Leader of the Council has delegated to the Deputy Leader (Statutory) and Cabinet Member for Homes Regeneration and Planning (Reference 2417LR) the power to make the decisions set out below.

#### **RESOLVED:**

Having carefully read and considered the attached Part A report and the requirements of the Council's public sector equality duty in relation to the issues detailed in the body of the report, the Deputy Leader (Statutory) and Cabinet Member for Homes Regeneration and Planning to

1. Approve the governance arrangements to oversee the development and implementation of the Growth Zone delivery plan and;
2. Approve the public realm programme for 2017/18.

<b>REPORT TO:</b>	<b>Councillor Alison Butler Statutory Deputy Leader and Cabinet Member for Homes, Regeneration and Planning</b>
<b>SUBJECT:</b>	<b>Delivering the Croydon Growth Zone</b>
<b>LEAD OFFICER:</b>	Shifa Mustafa Executive Director – Place Lee Parker – Director of Growth
<b>CABINET MEMBER:</b>	<b>Councillor Alison Butler Statutory Deputy Leader and Cabinet Member for Homes, Regeneration and Planning</b>
<b>WARDS:</b>	<b>All wards</b>

**CORPORATE PRIORITY/POLICY CONTEXT**

**AMBITIOUS FOR CROYDON AND WHY WE ARE DOING THIS?**

The proposals presented in this report provide for the infrastructure that enables development and economic growth in Croydon leading to:

- 23,594 new jobs
- a further 5,097 jobs during construction phase
- at least 10,000 new homes
- the wholesale renewal of the retail core ensuring the metropolitan centre is an attractive place to live, work and invest.

**CROYDON'S COMMUNITY STRATEGY 2016-21**

- The proposals presented in this report will help deliver key outcomes from Croydon's Community Strategy 2016-21:
- Outcome 1 – A great place to learn, work and live
- Outcome 2 – A place of opportunity for everyone
- Outcome 3 – A place with a vibrant and connected community and voluntary sector

**CROYDON LOCAL PLAN AND OPPORTUNITY AREA PLANNING FRAMEWORK (OAPF)**

The proposals seek to deliver the overall objectives of the Croydon Local Plan and OAPF.

**FINANCIAL IMPACT**

The Council received a £7m grant from the Department for Communities and Local Government (DCLG). The grant is intended to fund the costs of any borrowing in the first 3/5 years of the programme before the business rates uplift. The funding mechanism was approved by Cabinet in July 2016 and the Mayor of London in September 2016, and will ring-fence 50% of growth in business rates from April 2018 for up to 25 years in the designated area from the local government finance system. This income will be used to pay for the required infrastructure as set out in the report.

The cost of the infrastructure projects is currently being assessed and further cabinet reports seeking expenditure based on specific themes will follow in 2017/18 once the business cases have been completed. These themes include: transport, public realm, decentralised energy, smart cities and social infrastructure.

**KEY DECISION REFERENCE NO.:** Not a key decision

The Leader of the Council has delegated to the Cabinet Member for Homes, Regeneration and Planning the power to make the decisions set out in the recommendations below:

## **1. RECOMMENDATIONS**

- 1.1 Approve the governance arrangements to oversee the development and implementation of the Growth Zone delivery plan and;
- 1.2 Approve the public realm programme for 2017/18 (paragraph 3.22)

## **2. EXECUTIVE SUMMARY**

- 2.1 Significant work has been undertaken to develop a range of infrastructure schemes that will enable and sustain growth. The Cabinet, in July 2016 and the Mayor of London in September 2016 approved the designation of a Growth Zone in central Croydon that will be exempt from the local government finance system and debt finance provided by the Council to fund the necessary infrastructure.
- 2.2 Croydon's growth is already evident and is now one of the prime areas of London where people choose to live, work, visit and invest. To ensure this change is sustainable, and that the benefit to Croydon residents is maximised a range of infrastructure improvements have been identified by London Borough of Croydon (LBC), working with key stakeholders including Transport for London (TfL), the Greater London Authority (GLA), Network Rail and developers. The Growth Zone programme will act as both a catalyst to further growth and to accommodate the demands of a significantly increased population.
- 2.3 The Croydon Growth Zone is a Tax Increment Financing (TIF) model which harnesses business rates growth to enable borrowing to fund infrastructure. Central government have also provided a £7m revenue grant to fund the early borrowing required, prior to significant business rate growth. In this way, around £310m of additional investment in infrastructure can be released.
  - This investment will enable major regeneration benefits to both new and existing residents and businesses including:
    - 23,594 new jobs with a further 5,097 jobs created during the construction phase
    - at least 10,000 new homes of different tenures
    - the wholesale renewal of the retail core
- 2.4 This report sets out the progress on producing the Growth Zone delivery plan including an outline of the infrastructure projects that are being developed. This

report also sets out the proposed governance arrangements and a timescale for implementation including a programme of temporary public realm projects to be delivered in 2017/18.

### **3. DETAIL**

#### **Background**

- 3.1 In early 2014 LBC, the Greater London Authority (GLA) and Transport for London (TfL) agreed to jointly commission a Development Infrastructure Funding (DIF) Study for the Croydon Opportunity Area (COA) to help facilitate more homes and jobs and understand infrastructure needs. This study identified a series of infrastructure projects in the COA and it was estimated that the public sector support to drive this change amounted to around £1bn (the study purposefully excluded the upgrading of the Brighton Mainline and this is vital to regional growth and success, not just that of Croydon). This led to the development of the Growth Zone model as a means of meeting this funding challenge.
- 3.2 From inception, the Growth Zone was developed as a collaborative approach with the GLA and TfL to secure Central Government investment in the form of fiscal devolution and/or grant funding in Croydon. It has developed into a business rate retention scheme based on a Tax Increment Financing (TIF) model over a designated area in Central Croydon. In essence, it proposes to borrow to fund infrastructure projects which are essential to growth, with the costs of borrowing repaid by future uplift in the business rates base.
- 3.3 The Growth Zone will run until approximately 2043 and it will fund a number of phases of infrastructure delivery, although the focus is on the first five years in order to coincide with major development activity in the pipeline. This will minimise disruption, enable growth to occur earlier and bring forward the benefits of the town centre regeneration. It will may also help to repay the loan earlier than the 20-25 years envisaged through accelerating the business rate uplift, therefore reducing the financial risk on the Council.
- 3.4 The jobs and housing outcomes are just one element of a wider development programme which aims to recreate Croydon as a truly modern, sustainable metropolitan town centre. The Growth Zone will also provide clear additionality in terms of the early and accelerated delivery of homes and jobs that would not occur without this initiative. It provides certainty to developers, investors and residents regarding the delivery of major infrastructure projects which is likely to accelerate discretionary development. In turn, these benefits positively affect the whole of Croydon given the jobs and opportunities that are created.

#### **Development of the programme**

- 3.5 LBC, working with stakeholders, identified a list of 39 critical infrastructure projects that would enhance the Growth Zone and enable development to be brought forward in a timely manner and, alongside other contributions, mitigate the impact of growth planned in the COA. The total cost of these projects is close to £500m to be financed via a loan and funding to be comprised of GLA, TfL and LBC capital funding, planning obligations or other third party contributions. Alongside this

work, financial modelling was undertaken to align the development trajectory, infrastructure delivery programme and proposed structure of the loan.

- 3.6 To ensure these projects contributed to growth and could be delivered on time and within the estimated budget, multi-disciplinary consultants were appointed in November 2016. Outline business cases have been developed and further liaison with stakeholders to create a delivery plan, with the main focus being on the next five years to align with major developments.
- 3.7 The 39 projects have each been reviewed with several being removed from the programme, some being repackaged and others added, notably walking and cycling schemes, Fiveways Junction and technology/smart city related projects. In addition, a major review of the social infrastructure projects has been undertaken with several new projects proposed. The updated indicative programme is in **Appendix 1**. Projects that have been removed from the original list of 39 at this stage are those that have now been completed, namely improvements to the Accident & Emergency Department and Urgent Care Centre at Croydon University Hospital and a new Children's Development Centre. The 12 trams per hour to New Addington has also been removed as TfL can provide this through timetabling changes on the network.
- 3.8 Individual projects along two key corridors serving the town centre: Brighton Road to the south (Purley to the town centre) and London Road to the north (Norbury to the town centre), have been repackaged as 'healthy streets corridors'. This approach aligns well with the Healthy Streets agenda, endorsed by the Mayor of London's 'Healthy Streets for London' document (Feb '17), and will help support investment in a variety of measures to ensure that the whole of the corridor is designed to help support healthy and active lifestyles.
- 3.9 It is also considered essential to plan a longer-term and coherent cycle network in a way that will complement walking and public transport priorities. The sustained investment in cycling via the Growth Zone will enable the borough to plan the network in a more strategic way to help support the necessary growth of cycling in the borough. Investment in cycling infrastructure provides an opportunity to create healthier streets for everyone by reducing the dominance of motor traffic, overcoming local severance, increasing safety and improving the urban realm. These are also fundamental ingredients to help unlock walking potential in specific areas.
- 3.10 The programme will be packaged into 3 main themes and each will be reported to the Cabinet recommending funding is released once further feasibility, business case development and accurate cost assessments have been undertaken. The packages are: transport and public realm; smart city/energy and social infrastructure projects.
- 3.11 To enable progress, a number of new resources have been approved by the Executive Director of Place under delegated authority to commence borrowing (supported by the £7m loan from DCLG) in order to undertake detailed feasibility studies. The list of studies and resources are set out in **Appendix 2**.

## Governance

3.12 To develop the Growth Zone delivery plan and oversee its effective implementation a governance system has been created – see **Appendix 3**. The Major Projects and Growth Zone Board is to be jointly chaired by the Leader of the Council and the Deputy Mayor of London and will hold its first meeting in September 2017. The Steering Group is jointly chaired by the Executive Director of Place and a Director from the GLA with attendance from TfL. The internal Growth Board deals with staffing, procurement and project assurance. Reporting to the Steering Group are eight sub-groups each responsible for developing and delivering projects that fall within their responsibility and undertaking any preparation and planning work that is required. The Steering Group and sub-groups are well established and have helped to shape and prepare the delivery plan.

3.13 A central programme team has been established, led by the Director of Growth. This team ensures co-ordination between the sub-groups, oversees stakeholder engagement and services the Board and Steering Group. Both TfL and GLA support this team and collectively are responsible for the management of the overall Growth Zone programme.

### **Sub-Group Activity**

3.14 The **Construction and Logistics sub-group** is responsible for planning and overseeing measures that minimise the impact of the construction activity in the town centre and on adjoining roads. The Council as a local traffic authority has a Statutory Duty under the Traffic Management Act 2004 to manage their road network by facilitating and securing expeditious movement of traffic to avoid and or reduce congestion. The Network Management team within the Streets directorate currently discharge this function and coordinated all activities across the borough. This involves working across teams and with external stakeholders. This sub-group includes representatives from TfL bringing experience from the other large construction and regeneration projects in London with the aim to manage construction traffic and enabling the town centre to function. The sub-group is responsible for highway planning and operations and its output will influence the timescale when projects are implemented. A forum has been created which is attended by the main developers active in Croydon to co-ordinate their on-site activity. An additional forum will be established to liaise and co-ordinate with utility providers. Both will report to this sub-group.

Recent activity includes:

- Identifying suitable areas to hold HGVs in order to manage the road network and minimise congestion from construction traffic, allowing these vehicles to be kept away from the town centre until highway capacity allows.
- Developing a process to inform and engage local businesses regarding the status of construction activity and the possible impacts as well as assisting them to continue trading through the busiest periods. This approach, called Construction Travel Demand Management, has been used successfully during the Olympic and Commonwealth games and has proven to reduce congestion and better encourage the use of public transport and sustainable modes of transport.

- Recruitment of a Highway Impact Assessment Engineer to co-ordinate traffic management
- Appointment of a specialist utility co-ordination company to reduce disruption associated with providing essential utilities to the new developments
- Developing a process to monitor traffic through CCTV and inform drivers on current congestion issues through temporary Variable Message Signs

3.15 The **Transport sub-group** is overseeing the development of tram, bus, walking, cycling and highway schemes that will form the majority of the required infrastructure. Through the assessment of future growth and travel patterns a range of schemes have been put forward which will ensure people can travel in, out and around Croydon safely and efficiently.

Recent activity includes:

- Developing a cycle route delivery programme focussed on the Growth Zone and underpinning an emerging Cycle Strategy
- Supporting TfL with the development of the Dingwall loop (tram) project
- Liaison with TfL regarding the design and forthcoming consultation on the Fiveways junction scheme
- Undertaking a bus review to ascertain bus service demand and identify future service patterns
- Undertaking a transport corridor study to look at the optimum means of moving people between the growing places of Croydon and the Growth Zone
- Commencing feasibility work on redeveloping West Croydon station
- Supporting Network Rail develop its plans for upgrading the Brighton Mainline including delivering a new world class station at East Croydon
- Lobbying central government directly and via the Mayor of London, Coast to Capital LEP, Gatwick Air / Rail Partnership and South London Partnership to continue to fund development of the Brighton Mainline Upgrade Proposals

3.16 The **Parking sub-group** is responsible for assessing current and future demand for parking and ensuring there is sufficient capacity taking into account current proposals associated with the Whitgift Centre redevelopment. The sub-group is also exploring how technology can be used to make parking easier and the service more efficient.

Recent activity includes:

- Undertaking a parking strategy covering the need for coach parking
- understanding the potential impact on residential parking and the need for a review of Controlled Parking Zones
- considering the buy-back of Wandle Road multi-storey car park
- making on-street parking more efficient through using sensors
- assessing the demand for electric vehicle charging points
- assessing the need for disabled parking bays and loading bays and;
- exploring options regarding the upgrade of CCTV cameras (for enforcement, traffic management and safety purposes).

3.17 The **Place, Public Realm, Culture and Meanwhile sub-group** is responsible for developing and delivering the short, medium and long term projects, improvements and programmes for the public spaces and streets in the COA. This will be achieved through high quality public realm and coordinated delivery with the other Growth Zone Sub Groups, partners, communities, landowners and stakeholders. The main public realm programme to be delivered from April 2018 will be reported to the cabinet within the next 6 months seeking approval to implement. All schemes will be submitted to the Place Review Panel launched in November 2016 to ensure the proposals achieve the quality required to deliver long term sustainable regeneration, place making objectives and urban design principles. This Panel consists of high calibre industry experts from a range of disciplines to provide design and place making advice to officers and the Planning Committee.

In addition to developing the medium and long term projects, improvements and programmes, the Sub Group has begun the planning and design of a range of temporary place, public realm, culture and meanwhile projects identified for delivery in 2017/18. The projects will act as a pre-cursor to the medium and long term projects, improvements and programmes and provide continuous regeneration throughout the Growth Zone period. This report seeks approval of the 2017/18 programme at recommendation 1.3 and paragraph 3.22.

The Growth Zone programme also includes supporting the Council's work on a Cultural Programme and Strategy providing a multi-faceted approach to regeneration and place making for local residents and visitors to the COA. A critical part to achieving this objective is the merging under this Sub Group the functions of place, public realm, culture and meanwhile.

Recent activity includes:

- The Sub Group has begun the planning and design of a range of temporary place, public realm, culture and meanwhile projects identified for 2017/18 – known as the 2017/18 Programme.
- Developing and defining medium and long term projects, improvements and programmes for the COA's public realm. This is to be reported to Cabinet in late 2017.
- Working with local and regional art and community groups to develop temporary place, public realm, culture and meanwhile schemes included in the 2017/18 programme
- Developing a pedestrianisation scheme for the High Street to improve the conditions for pedestrians, cyclist and those with mobility impairments
- Implementation of improvements to Surrey Street
- Launching a Night Time Economy Innovation Fund – 'Good evening Croydon'
- Working with the Croydon BID to deliver an architectural lighting programme this winter
- Working with the Croydon BID to ensure their projects and interventions are delivered in tandem with the Sub Group's projects
- Ensuring the Walking and Cycling Programme under the Transport Sub Group is delivered in tandem with the Sub Group's projects



3.18 The **Inward investment, Marketing and Tourism workstream** is responsible for overseeing initiatives and projects that lead to economic growth and employment opportunities.

Recent activity includes:

- Increasing the staffing for Croydon Works to broker more construction related jobs which will be required in Croydon
- Developing inward investment and marketing tools to encourage new developers and businesses moving to Croydon
- Managing the Developer Activity Dashboard to track developments and use the information to plan ahead
- Providing economic data to support the development of the programme and monitor changes over time.

3.19 The **Social infrastructure sub-group** is responsible for progressing a broad range of projects that relate to health, education, leisure and employment. In developing these projects a number of stakeholders have been engaged. Further work is still required to formulate a social infrastructure programme and this will be reported to the cabinet in the next 6 months seeking approval for the projects to be delivered.

Recent activity includes:

- Considering the social and wellbeing needs for the existing and new central Croydon community
- Liaising with the NHS and Clinical Commissioning Group to assess the need and identify a location for a new GP surgery in central Croydon
- Assess the need for additional school places, particularly for children with Special Educational Needs

3.20 The **Smart city/energy workstream** has been set up to ensure that technology and sustainability are considered throughout the development and delivery of the Growth Zone programme and to the benefit of Croydon as a whole. The Smart City Strategy will seek to provide an understanding and watching brief of options across smart city opportunities and to influence and support wherever appropriate the development of projects across the other work streams.

Developed around a set of identified priority themes including digital connectivity, open data, energy, mobility and security, and social housing and Internet of Things, the strategy will identify technology enabled solutions and initiatives to enhance Croydon's infrastructure and services' efficiency and performance, reduce costs and resource consumption as well as improve interaction between Croydon Council and its citizens and the (tech) business community. The Smart City strategy will provide detailed information on identified projects, roadmap, and the budget requested as well as funding opportunities.

Recent activity includes:

- Croydon i-street competition to attract ideas to help people navigate and wayfind around the changing streetscape

- Pressure digital providers to accelerate the roll-out of superfast broadband in central Croydon and identify locations where this is lacking
- Undertake technical and economic feasibility into a district heating network to potentially be located on the site of Wandle Road surface car park

3.21 A **finance sub-group** has also been established to oversee the expenditure, 3<sup>rd</sup> party financial contribution, risk and to ensure the financial model indicates the investment always leads to growth.

### **2017/18 Place, Public Realm, Culture and Meanwhile scheme delivery**

3.22 To continue the regeneration of the town centre a programme has been developed that can be implemented this year. The schemes listed in the table below have been developed in partnership with a range of community groups, organisations, GLA and Transport for London to provide meanwhile/precursor type projects that help to demonstrate how spaces and streets in the town centre can positively change. This report seeks approval at recommendation 1.3 to implement these projects at an estimated cost of £738,000.

3.23 One of the primary aims of the 2017/18 meanwhile programme is to facilitate and enable community and stakeholder engagement, collaboration and interaction, whilst integrating this methodology into the project development to unlock key sites to their fullest potential.

3.24 This programme of meanwhile projects will lay the foundation for long term change and therefore must set a new precedent to ensure important issues are addressed, build a sense of ownership and begin to change habits and patterns of use of places that are vital to long term sustainable growth and regeneration of the Croydon Opportunity Area and borough.

2017-2018 PROJECTS	PROJECT COST	PARTNERSHIP FUNDING	BUDGET REQUESTED
<p><b>College Square Cultural Programme</b> CroyDEN an architectural intervention consisting of a tool kit of large pieces of innovative urban furniture that can be configured and reconfigured in a multitude of ways - the aim is to provide usable elements to enable creative and community activities, whilst beginning to activate these areas as a key route in the future cultural masterplan. It will also provide opportunity for civic life by creating a platform for people to meet and socialise.</p>	£40k	Arts Council / Pocket Park Funding - to apply	£40k
<p><b>Wandle Road Car Park</b> Collaborating with the Architectural Association, an important event based installation underneath and around the Wandle Road Car Park &amp; Flyover.</p> <p>The project, that will include a performance space and graphic installation, will enable an exciting programme of performance arts related events, workshops and other peer led activities. Further, it will aim to start stitching together areas of Croydon currently disconnected by the flyover, as well as animate the spaces and increase the sense of safety.</p>	£130k	£50k from Arts Council and Cultural Fund	£80k
<p><b>Croydon Art Store</b> Temporary takeover of the old Grange unit in the Whitgift Centre by a consortium of local and neighbouring arts organisations. The Croydon Art Store will provide a collaborative and participatory visual arts and events programme with a focus on youth engagement and learning. It will act as an action research phase to test the role of arts and culture in a shopping/commercial centre, and aim to inform how this can be integrated in future development.</p>	£75k	£15k Arts Council Funding (TBC); £5k Kingston University	£55k

<p><b>Wayfinding Interventions / Marketing / Comms</b> A package of funding to enhance local signage and to engage the wider community regarding the projects that are being delivered.</p>	£30k	Partnership Funding (TBC) -£5k	£25k
<p><b>Creative Crossings</b> A series of creative crossings aiming to humanise and transform everyday infrastructures in the Croydon Opportunity Area, and how they are perceived and experienced.</p>	£100k	-	£100k
<p><b>Design your own Parklets'</b> Transforming parking spaces to people space – a series of innovative pop ups in parking spaces (along College Road initially), providing opportunities for user activity in the public realm. The parklets will give the public an opportunity to re-appropriate parts of public space to meet their own social and cultural activities</p>	£30k	To apply for Pocket Park funding	£30k
<p><b>Pedestrianisation of High Street +</b> Cultural event programme to activate the space</p>	£85k	£10k from Cultural Fund	£75k
<p><b>Lighting / Public Art Commission</b> Series of lighting art installations around the Croydon Opportunity Area and possibly district centres to be launched as part of the London Lumiere festival</p>	£260k	£30k BID; £30k Cultural Fund; £100k previous allocation from Growth Zone	£100k
<p><b>TOTAL</b></p>	<b>£750k</b>	<b>£245k</b>	<p><b>£505k</b></p> <p><b>Plus contingency @20% and fees</b></p> <p><b>= £738k</b></p>

## **The way forward**

- 3.25 The timescale for implementation is being finalised as many projects have a dependency on one another e.g. public realm projects would be implemented after utility works have been undertaken. Adjustments to the timescales will be managed by the programme team and reported regularly to the Steering Group and Cabinet Member.
- 3.26 The delivery plan setting out the proposed list of projects and their timescale for implementation will be presented to the Major Development and Growth Zone Board in September 2017 when most of the business cases will have been completed.
- 3.27 Alongside the development of the delivery plan, a statutory instrument will be laid in parliament to designate the Growth Zone area and once passed, the loan will be drawn down ready for schemes to be implemented.

## **Conclusion**

- 3.28 The Growth Zone provides the confidence to developers and the investment community that Croydon's regeneration is well underway and that there is substance and depth behind its ambition. This report highlights progress in developing a delivery plan with a particular focus on the next 5 years. The draft delivery plan includes a wide range of infrastructure projects that enable growth, largely through the provision of additional transport capacity, but also improve the 'look and feel' of the town centre through significant public realm improvements. A package of meanwhile/temporary public realm schemes has been developed for implementation this financial year. The focus on social infrastructure and smart cities will ensure the long term viability of the town centre.

## **4. CONSULTATION**

- 4.1 In preparing the list of 39 projects for the Growth Zone, considerable consultation was undertaken with the GLA and TfL as our key partners as well as consultation with key stakeholders. This work builds upon the extensive consultation that was part of the Opportunity Area Planning Framework preparation that set out the vision, policies and guidance for the Croydon Opportunity Area.
- 4.2 In developing the original 39 projects further engagement has been undertaken with stakeholders such as the NHS, Police, developers and digital providers. Discussions have already been made with some residents' associations regarding plans to manage construction related traffic and this dialogue will continue. A new Stakeholder Engagement Manager has been appointed to oversee engagement and consultation for all projects. A roadshow is planned to be in operation in the town centre from 2018 which will ensure people are aware of the projects and how they may affect them. Finally, for each of the projects further statutory consultation will be undertaken through the planning and consent process.

## **5 FINANCIAL AND RISK ASSESSMENT CONSIDERATIONS**

### **The effect of the decision**

- 5.1 This report identifies the first tranche of public realm investment that will be delivered in 2017/18 (totalling £738k, see above) as the proposed Growth Zone investment programme starts to gain momentum. Governance arrangements have been prepared (see Appendix 3) to ensure clear accountability and decision making, and partners are keen to work with us to progress this programme.

### **Risks**

- 5.2 The key risk to the programme is the scale and timing of the business rates uplift. Any delay or reduction in uplift has the potential to put pressure on the model and the ability of the council to pay interest on the debt and make repayment. Sensitivity analyses have been undertaken to provide confidence that the modelling can respond to unforeseen circumstances to include changes to interests rates, increases in costs and reduction in income from business rates uplift. Further work is ongoing in relation to the refinement of the financial modelling to ensure robustness. The programme of investment will also be timed so it is linked to certainty on the income.
- 5.3 To provide further risk management and mitigation, a new commission is currently under procurement for a multi-disciplinary consultancy to undertake more detailed feasibility, and the preparation of business cases for each project. This will allow a thorough examination of all delivery issues, including long-term revenue costs and whole life costing. Risk identification and mitigation measures will be an intrinsic element of this commission. This commission will regularly report to the Growth Zone Steering Group.

### **Future savings/efficiencies**

- 5.4 As further work is undertaken in the Growth Zone, a specific aspect will be the consideration of procurement routes and the packaging up of individual projects to optimize cost efficiencies. Much of the public realm work could be delivered as part of the new highway contract for example and transport projects led by TfL delivered as part of their existing procurement frameworks.
- 5.5 The Smart City approach and integration of technology over the life time of the Growth Zone is likely to bring forward further cost savings and efficiencies. A smart city strategy will be developed to identify how technology can be used to generate growth and what projects are deemed viable at this stage.

(Approved by: Lisa Taylor, Director of Finance, Investment and Risk)

## **6. COMMENTS OF THE COUNCIL SOLICITOR AND MONITORING OFFICER**

- 6.1 The Solicitor to the Council comments that the power to retain business rates stems from the Local Government Finance Act 2012, and regulations that followed, under which the Government gave local authorities the power to keep up to half of business rate growth in their area by splitting business rate

revenue into the 'local share' and the 'central share' where a local scheme is approved by Central Government. The recommendations set out in this report are therefore within the powers of the Council but rely on agreement from the GLA.

(Approved by: Sean Murphy, Principal Corporate Solicitor (Regeneration) on behalf of the Director of Law and Monitoring Officer)

## **7. HUMAN RESOURCES IMPACT**

- 7.1 There are no immediate human resource impact and therefore I am happy to approve.

(Approved by: Jason Singh, Head of HR Employee Relations on behalf of the Director of HR.)

## **8. EQUALITIES IMPACT**

- 8.1 A key priority for the Council is to work with our partners to make Croydon a stronger fairer place for all our communities. Croydon's Opportunity and Fairness Plan 2016-20 outlines action to tackle inequalities such as educational attainment, health, homelessness, unemployment, crime and social isolation, particularly in the borough's six most deprived wards. Successful delivery of the Growth Zone proposals outlined in this report will create more opportunities for Croydon residents and contribute towards greater equality, fairness and better outcomes for all.
- 8.2 An Equalities Analysis has been initiated, and this will be developed as the Growth Zone programme evolves and in particular, as detailed feasibility and detailed business cases are prepared. Equalities Impact will be an intrinsic part of this. Impacts will be kept under review and where necessary action will be taken to mitigate any negative impacts.

## **9. ENVIRONMENTAL IMPACT**

- 9.1 Projects included in the Growth Zone will be delivered in line with current environmental requirements and the Local Plan policy which promotes, as part of sustainable development, the consideration of environmental impacts. The Growth Zone focusses on improving air quality and enhancing facilities for healthy and sustainable transport.

## **10. CRIME AND DISORDER REDUCTION IMPACT**

- 10.1 The Borough Commander is aware of the Growth Zone and has requested regular progress reports to enable future planning for policing. The design of public realm schemes will involve liaison and consultation with the Metropolitan Police Service to reduce the risk to personal safety.

## **11. REASONS FOR RECOMMENDATIONS/PROPOSED DECISION**

- 11.1 The decision to progress with the Growth Zone has already been made and this report summarises progress to date. The delivery of temporary public realm

schemes in 2017/18 help to continue regeneration and act as a pre-cursor to the main implementation phase planned from March 2018.

## **12. OPTIONS CONSIDERED AND REJECTED**

- 12.1 As part of the justification for the Growth Zone outlined in the July 2016 cabinet report the option of not forward funding infrastructure but to depend upon the market and the provision of infrastructure only through public sector capital funding, CIL and s106 was considered but deemed unable to deliver the necessary infrastructure and be detrimental to growth and regeneration.
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**CONTACT OFFICER:** Lee Parker, Director of Growth 020 8764 7052

## **BACKGROUND PAPERS - LOCAL GOVERNMENT ACT 1972**

*Croydon DIF Prioritisation September 2015 E C Harris*

**APPENDIX 1 – Indicative Growth Zone programme**

**APPENDIX 2 – Resources approved to date to develop the Growth Zone**

**APPENDIX 3 – Growth Zone governance**



## **APPENDIX 1**

**Current Growth Zone programme pending further business case development**

Ref	DIF Ref	Project	Status Update
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REF	DIF Ref	Project	Status Update
T1	1	London Trams - Dingwall Road Loop	Transport & Works Act Order (TWAO) to be submitted end of 2017 subject to funding commitment.
H1	2	Wellesley Road Crossings – Lansdowne Road	Developed design completed as part of the Dingwall Road loop work but a separate costing is required for the crossing works.
P2	3	East Croydon Public Realm - Phases 2 & 3	Preferred phasing outlined by LBC Placemaking.
T2	4	George Street Tram stop improvements	The scope of this scheme would need to tie in Whitgift development. A major component of this scheme would involve relocating telecoms to a new location. Delivery via S278 sought.
H3	5	Car park rationalisation & improvement	Changes to town centre car parking that ensure a balanced and accessible provision within the COA, helping to manage the demand generated by the new spaces delivered as part of the Whitgift Shopping Centre redevelopment. This could include the closure or refurbishment of existing car parks. Detailed proposals of how this will be achieved will be developed following completion of the COA car parking strategy.
E1	6	Electricity	Require meeting with UKPN and ascertain whether land has been identified for the new primary.
E2	7	Other Energy – District Heating Network	Scheme description and costs updated following Arup 2017 feasibility report Phase 1. Actions: undertake cost review of phase 2 study when published in June 2017.
P6	8	West Croydon Interchange Public Realm	Preferred phasing outlined by LBC Placemaking. Awaiting 2017 Public Realm document from LBC to include more details on each scheme inc. costs and programme
R2	9	West Croydon Station Rebuild	Longer term improvement based on the medium 'build' scenario. RIBA Stage 2 development brief prepared by Croydon Council. TfL to review.

H2	10	COA Traffic Management	Scheme to install VMS signs that direct traffic to car parks and provide traffic updates. The location and number of signs will be determined by the COA car parking strategy. Can also be used for traffic management and communications.
B1	11	Bus route upgrade serving the COA	Awaiting a COA-wide bus strategy to define the full programme of bus service infrastructure improvements needed to increase bus frequencies and service reliability in support of the CGZ. The funding requirement is limited to the cost of infrastructure only and not revenue costs associated with operating additional buses. Funding to include provision for the Wandle Road car park bus stand and the associated remediation works that remove/relocate bus stands from the Mid Croydon area and pedestrianise the northern section of the High Street (Katherine Street to Park Road).
S1	12	Primary Health Care	Infrastructure requirements and delivery strategy required. Estimated requirement of 1375sqm for 11 GP's. Costs and BC pending.
H7	13	A232 - Chepstow Road j/w Addiscombe Road	Preferred scheme layout identified but further design and traffic modelling required to ensure it can still deliver the bus and cycling provision with end-state tram frequencies to the east of the COA. TfL to progress this design work in collaboration with the Council to ensure a balance of priorities is achieved.
T4	14	Reeves Corner Westbound Tram Stop	Scheme will complement a turn back at Reeves Corner but not essential.
T5	15	Old Town Loop	Critical for Key Output 3. Further design and modelling work required to establish the feasibility and cost of the scheme.
T3	16	New Addington 12tph	<del>Scheme requires the purchase of 1 tram but TfL will achieve 12tph through timetable changes and efficiencies therefore GZ funding not required.</del>
B2	17	Bus Priority Measures	Highway schemes to delivery an improvement to the operational performance of bus routes that serve the COA. The schemes are yet to be agreed but will be based on work commissioned by TfL (Croydon Opportunity Area Bus Priority Growth Study – Mott MacDonald, December 2016) and Croydon Council (Croydon Transport Corridors Study, Steer Davies Gleave, date tbc) combined with an assessment to other modal priorities such as from walking, cycling and trams.
H9	18	A23 - Purley Gyratory	Scheme layout needs to be reviewed to ensure it gives adequate bus and cycle priority but an initial review of the scheme suggests it may not contribute significantly to Growth Zone

H6	19	A23 - Mill Lane	Preferred scheme identified but requires third party land.
P3	20	East Croydon Public Realm - Future Phases	Preferred phasing outlined by LBC Placemaking. Awaiting 2017 Public Realm document from LBC to include more details on each scheme inc. costs and programme
P7	21	West Croydon Public Realm - Phases 2 & 3	Preferred phasing outlined by LBC Placemaking. Awaiting 2017 Public Realm document from LBC to include more details on each scheme inc. costs and programme
T6	22	Stabling Plan Phase 1 - Eastern Satellite Depot	Essential for Key Output 3 (18tph to Morden Road). High Priority for the CGZ. Capex cost for trams excluded.
H4	23	A23 - Thornton Heath Ponds Gyratory	Preferred scheme identified but a design review is required confirm that the levels of bus and cycle priority along the London Road are sufficient.
P4	24	Mid Croydon Public Realm - Phase 1	Preferred phasing outlined by LBC Placemaking. Awaiting 2017 Public Realm document from LBC to include more details on each scheme inc. costs and programme
S2	25	Secondary Schools	Infrastructure requirements and delivery strategy required.
H5	26	A23 - Lombard Roundabout	No preferred scheme has been identified as a design review is required to modify existing options to ensure a suitable level of bus and cycle priority is provided along the Mitcham Road corridor.
P5	27	Mid Croydon Public Realm - Phases 2 & 3	Preferred phasing outlined by LBC Placemaking. Awaiting 2017 Public Realm document from LBC to include more details on each scheme inc. costs and programme
S3	28	Community Space	Infrastructure requirements and delivery strategy required. Review requirements with LBC Officers.
T8	29	Stabling Plan Phase 2 - Therapia Lane	Critical for Key Output 4 and the delivery of longer trams.
T9	30	Beckenham branch capacity enhancement	Further design and costing work required to assess the extent of passing loops option or double tracking needed.
T7	31	Croydon to Morden Road - 18tph	Schemes identified include Wandle Flyover doubling, Morden Road - Phipps Bridge doubling and the South Wimbledon Spur).
P8	32	West Croydon Public Realm - Future Phases	Preferred phasing outlined by LBC Placemaking. Awaiting 2017 Public Realm document from LBC to include more details on each scheme inc. costs and programme.
H10	33	Delivery & Service Management	Scheme description revised to ensure the COA has an area wide Delivery and Servicing plan is implemented to ensure the efficient movement of goods within the town centre. Implementation could include the use of freight

			consolidation centres and timed delivery slots but the plan would give guidance to assist with the preparation of specific detailed site DSP's.
P1	34	Old Town Masterplan	Preferred phasing outlined by LBC Placemaking. Awaiting 2017 Public Realm document from LBC to include more details on each scheme inc. costs and programme
S4	35	Accident and Emergency Department	Scheme completed
S5	36	Children's Development Centre	Scheme completed
S6	37	Play space	Infrastructure requirements and delivery strategy required.
S7	38	Urgent Care Strategy	Scheme completed
S8	39	Job brokerage	Scope, staffing and roles agreed
C1	NEW	Cycling (Phase 1)	Schemes to deliver safe and attractive cycle routes connecting wider residential areas in the borough with the COA. Schemes identified in this phase focus on completing schemes around the COA.
C2	NEW	Cycling (Phase 2)	Schemes to deliver safe and attractive cycle routes connecting wider residential areas in the borough with the COA. Schemes in this phase include those around the town centre network and links to Quietway 5, Waterlink Way and Sutton.
C3	NEW	Cycling (Phase 3)	Schemes to deliver safe and attractive cycle routes connecting wider residential areas in the borough with the COA. Schemes in this phase include those around Crystal Palace, South Norwood, Selsdon, Sanderstead & Heathfield
C4	NEW	Cycling (Phase 4)	Schemes to deliver safe and attractive cycle routes connecting wider residential areas in the borough with the COA. Schemes in this phase include those along Brighton Road, A23, A232, Mitcham Road and East Croydon Station.
H8	NEW	A23 - Fiveways	TfL have well developed design for the junction and given the highway impacts of the Whitgift Centre redevelopment, identified as a high priority scheme for the CGZ. Public consultation to deliver the scheme is due to start in the summer. An initial review undertaken as part of this study suggests the design should have a greater level of cycle provision. Fiveways masterplan to be delivered to inform final scheme design and maximise community benefits.
H11	NEW	Construction Logistics	Measures to reduce the impact of construction vehicle movements could include; the use of consolidation centres for materials; combined holding areas; timed delivery schedules; permitted routes; and a minimum standard set for vehicles under the Freight Operator Recognition Scheme (FORS).
P9	NEW	'Meanwhile' public realm projects	To include quick-win schemes such as lighting, street art and cultural schemes.

S9	NEW	SEND Post 16 Provision	Accommodation and support for SEND post 16 learning and training centre
S10	NEW	Central Library	Repurpose Central Library to meet new demands, including education, training, business start-up, community uses.
SC1	NEW	Superfast Broadband	As defined by the EC Harris report. Infrastructure requirements and delivery strategy required.
SC2	NEW	Croydon i-street	Infrastructure requirements and delivery strategy required. Competition design finalist due June 2017.

## Appendix 2 - Delivering the Croydon Growth Zone

<b>Resources approved to date to develop the Growth Zone</b>
<b>Feasibility studies/programme development</b>
Multi-disciplinary consultants to develop the programme (inc. business cases)
Financial modelling consultants
Utility Results - consultancy support for utility planning
Construction Travel Demand Management scoping study – to ensure support for local businesses during construction
Public Realm - baseline and programme development (internal)
Public Art/Lighting - scoping study
Fiveways Area Masterplan to maximise benefits from the Junction improvements
Night Time Economy Innovation Fund – Good Evening Croydon
Parking Strategy
Bus Strategy
Smart City Strategy
Step free access - West Croydon station planning
Hub and Spoke Management Plan – to reduce construction traffic
Architects Journal - Design Competition (Croydon i-street) to identify a product that helps people navigate around a changing streetscape
Co Star - Online commercial property information tool
Smart City - digital connectivity study
District heating network - professional advice
Smart City - CCTV review and options
<b>Implementation/delivery</b>
Public Art/Lighting - commission
Meanwhile - contribution to Andy Warhol exhibition
Visit London - Croydon Website
2017/18 public realm package – to be agreed
Croydon Works / Job brokerage scheme

# Croydon Growth Zone Governance

GLA Corporate Investment Board

LBC Cabinet

Croydon Growth and Major Development Board

Partner Accountable Bodies (e.g. TfL, Network Rail, NHS etc)

Growth Zone Steering Group (LBC, GLA, TfL)

LBC Growth Board

Stakeholders

Businesses/ Residents

Developers

NHS /Police /Utilities / Digital providers etc.

Partnerships /BID etc.

Programme Management Team

Project teams

Sub-Groups / Workstreams

Transport Infrastructure

Parking and delivery management

Construction & Logistics Management

Social Infrastructure

Finance

Inward Investment, Marketing and Tourism

Place, Public Realm, Culture and Meanwhile

Energy / Smart City